

**THE FY 2003-2004 ADOPTED BUDGET
BUDGET SUMMARY**

BUDGET ADMINISTRATION

The Work Budget is a recommendation, made by the City Manager and presented to the Mayor and City Council by April 1, for review and deliberation. After the review of the Work Budget by City Council, an Introduction Budget is prepared and presented to City Council by May 1. The Introduction Budget contains all of the changes and amendments made by the City Council during its budget workshops. It is the Introduction Budget which is submitted to the public for public hearing. After the public hearing on the Introduction Budget, City Council offers final amendments to the budget and formally adopts the budget no later than June 30 each year.

The Adopted Budget takes the form of : 1) an ordinance, authorizing expenditures and the raising of revenues during the coming budget year; and 2) resolutions authorizing fees, charges and related actions.

Once the budget is adopted by City Council, it becomes the shared responsibility of the city manager, finance director, budget director and department heads to oversee the implementation of the budgeted programs and to continually monitor expenditure and revenue levels throughout the year. Full implementation of the budget begins on July 1.

DESCRIPTION OF MUNICIPAL BUDGET FUNDS

The Code of Virginia requires all ordinances appropriating funds in an amount of \$1,000 or greater to be introduced and lay over for a period of 10 days prior to final adoption. Further, if at any meeting ordinances amending the budget exceed one percent of the budget or \$500,000, whichever is the lesser, the State Code requires that such budget amendments be advertised for public hearing. The City charter requires the affirmative votes of two-thirds of all the members of the City Council for all ordinances imposing taxes, authorizing the borrowing of money or appropriating money exceeding the sum of \$10,000.

The City of Danville organizes expenditures and revenues by fund. All the City's funds are shown in the budget document are described in more detail below.

OPERATING FUND

The General Fund. The General Fund is the primary operating fund for governmental-type activities. Accountability is established in this fund for resources and expenditures which are not provided for in other funds. The most significant sources of funding are general property taxes, other local taxes and transfers from the various utility funds. The most significant expenditures from this fund are for public safety, public works programs including infrastructure maintenance, health and welfare programs and contributions to other funds for education and capital improvements. The budget and the accounting records are maintained on a modified accrual basis.

ENTERPRISE FUNDS

The Wastewater/Sewer Fund. This fund provides accountability for activities relating to the treatment of household, commercial and industrial waste. The fund is self-supporting with user fees which cover the expenses for the collection system and treatment facilities. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

The Water Fund. This fund provides accountability for activities relating to the treatment and distribution of potable water to residential, commercial and industrial users. The fund is self-supporting with user fees which cover the operating and maintenance cost for water treatment plant and the distribution lines. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

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The Gas Fund. This fund provides accountability for activities relating to the purchase and distribution of natural gas to residential, commercial and industrial users. The fund is self-supporting with user fees which cover the purchased cost of natural gas, operation and maintenance of the distribution system and a contribution to the General Fund. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

The Electric Fund. This fund provides accountability for activities relating to the purchase of electricity, production of electricity and operating and maintenance costs. The operating and maintenance costs cover the hydro-electric facilities, transmission system and the distribution system. The fund is self-supporting with user fees which cover all costs and provide a contribution to the General Fund. An accrual basis of accounting is used for this fund for both the budget and the accounting records.

The Transportation Fund. This fund provides accountability for activities relating to mass transit bus services. The fund is on an accrual basis of accounting for both the budget and the accounting records, however, the fund is not self-supporting. Operating and maintenance costs are paid by user fees from passengers of the bus service, local, federal and state grants and transfers from the General Fund.

The Sanitation Fund. This fund provides accountability for activities relating to the collection and disposal of solid waste. The fund is self-supporting with user fees which cover the operating and maintenance cost. The fund is on an accrual basis of accounting for both the budget and the accounting records

INTERNAL SERVICE FUNDS

The Motorized Equipment Fund. This fund provides accountability for the acquisition and maintenance of motorized vehicles for various departments of the City. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis for both the budget and the accounting records.

The Central Services Fund. This fund provides accountability for the acquisition of office supplies, the cost of the interoffice mail, central mail room and printing services which are provided to the various departments of the City. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis for both the budget and the accounting records..

The Insurance Fund. This fund provides accountability for all City costs relating to workers compensation on a self-insured basis, general insurance provided by outside insurance carriers, risks covered by state-wide pools and risks other than workers compensation covered on a self-insured basis. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis for both the budget and the accounting records.

SPECIAL FUNDS (not included in the budget document)

The Capital Projects Fund. This fund provides accountability for financial resources used for major construction projects relating to general government use. Funding resources include proceeds from the sale of bonds, federal and state grants and transfers from the General Fund. The fund operates on a modified accrual basis for both the budget and the accounting records.

The Special Grants Fund. This fund provides accountability for various projects and programs which involve federal and state grants. The financing resources for these projects include federal grants, state grants, transfers from other funds and private donations. The fund operates on a modified accrual basis for both the budget and the accounting records.

The Community Development Fund. This fund provides accountability for projects and programs involving federal funds received through the Community Development Block Grant (CDBG) program. Funding resources include CDBG funds and program income from some of the programs. The fund operates on a modified accrual basis for both the budget and the accounting records.

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Summary of Authorized Positions - All Funds			
			Authorized Positions
General Fund			
General Government Administration			96
Judicial Administration			89
Public Safety			403
Public Works			110
Health, Welfare & Social Services			98
Park, Recreation and Cultural			66
Community Development			11
Total General Fund			873
Wastewater Fund			11
Water Fund			16
Gas Fund			56
Electric Fund			115
Transportation Fund			17
Central Services Fund			4
Motorized Equipment Fund			22
Sanitation Fund			53
Total Other Funds			294
Not Included in Budget Document			
Community Development Fund (CDBG Funded)			6
Total Authorized Positions - All Funds			1,173

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CITY OF DANVILLE, VIRGINIA					
"A WORLD CLASS ORGANIZATION"					
SUMMARY OF REVENUES & EXPENDITURES					
ALL FUNDS					
	Council Adopted FY 03-04	City Mgr. Recommended FY 03-04	Budget FY 02-03	Actual FY 01-02	Actual FY 00-01
Revenues					
General Fund	\$ 85,849,463	\$ 85,849,463	\$ 83,286,306	\$ 81,359,311	\$ 79,450,318
Wastewater Fund	8,030,760	8,030,760	7,967,738	9,901,685	8,012,555
Trans fr From Retained Earnings	-	-	189,829	-	-
Water Fund	6,200,200	6,200,200	6,237,216	8,358,233	6,146,430
Gas Fund	22,444,770	22,444,770	28,811,128	28,262,385	43,201,195
Trans fr From Retained Earnings	1,717,359	1,717,359	938,274	-	-
Electric Fund	55,609,950	55,609,950	53,686,381	55,029,880	54,578,157
Transportation Fund	1,039,288	1,039,288	1,029,130	903,715	820,750
Sanitation Fund	3,143,395	3,143,395	3,148,395	3,107,277	3,132,553
Trans fr From Retained Earnings	47,456	47,456	48,763	-	-
Insurance Fund	1,905,000	1,905,000	1,780,500	1,591,777	1,574,217
Central Services Fund	522,010	522,010	512,010	419,230	363,047
Motorized Equipment Fund	2,309,728	2,309,728	2,288,527	2,129,149	2,325,196
Total	\$ 188,839,379	\$ 188,839,379	\$ 189,924,617	\$ 191,062,662	\$ 199,604,418
Less Interfund Charges	(4,978,534)	(4,978,534)	(4,803,075)	(4,338,247)	(4,527,878)
Less Interfund Transfers	(10,685,895)	(10,685,895)	(10,685,895)	(10,685,895)	(10,685,895)
Less Interfund Recoveries	(2,476,747)	(2,476,747)	(2,598,574)	(2,550,289)	(1,970,825)
Total Budget	\$ 170,698,203	\$ 170,698,203	\$ 171,837,073	\$ 173,488,231	\$ 182,419,820
Expenditures					
General Fund	\$ 85,849,463	\$ 85,849,463	\$ 83,286,306	\$ 81,754,198	\$ 85,998,887
Wastewater Fund	8,027,926	8,027,926	8,157,587	9,437,332	6,664,276
Trans fr To Retained Earnings	2,834	2,834	-	-	-
Water Fund	6,191,609	6,191,609	6,237,216	7,677,692	5,498,943
Trans fr To Retained Earnings	8,591	8,591	-	-	-
Gas Fund	24,162,129	24,162,129	29,749,402	27,596,925	40,044,991
Electric Fund	54,280,260	54,280,260	53,686,381	51,330,511	48,535,276
Trans fr To Retained Earnings	1,329,690	1,329,690	-	-	-
Transportation Fund	1,039,288	1,039,288	1,029,130	878,238	826,294
Sanitation Fund	3,190,851	3,190,851	3,197,138	3,181,843	3,117,713
Insurance Fund	1,795,000	1,795,000	1,662,500	1,428,284	1,329,429
Trans fr To Retained Earnings	110,000	110,000	118,000	-	-
Central Services Fund	499,878	499,878	490,436	429,929	373,940
Trans fr To Retained Earnings	22,132	22,132	21,574	-	-
Motorized Equipment Fund	2,309,728	2,309,728	2,288,527	2,186,357	2,340,285
Total	\$ 188,839,379	\$ 188,839,379	\$ 189,924,617	\$ 185,901,329	\$ 194,730,034
Less Interfund Charges	(4,978,534)	(4,978,534)	(4,803,075)	(4,338,247)	(4,527,878)
Less Interfund Transfers	(10,685,895)	(10,685,895)	(10,685,895)	(10,685,895)	(10,685,895)
Less Interfund Recoveries	(2,476,747)	(2,476,747)	(2,598,574)	(2,550,289)	(1,970,825)
Total Budget	\$ 170,698,203	\$ 170,698,203	\$ 171,837,073	\$ 168,326,898	\$ 177,545,436

A copy of the City of Danville, Virginia Annual Budget for F/Y 2003-2004 and the Five Year Capital Improvements Plan for F/Y 2003-2004 may be reviewed at the Danville Public Libraries.